



# RESPONSIBLE REFORM FOR THE MIDDLE CLASS DEMOCRATS . SENATE . GOV / REFORM

## United States: The Cost of Inaction

### American Families Suffer

#### **Insurance premiums skyrocket**

- ✓ In 2000, family health insurance purchased through an employer cost \$6,772 and consumed 13.5% of median family income.
- ✓ In 2008, the same family health insurance cost \$12,680, an 87% increase over the 2000 cost, and approximately 21% of median family income.
- ✓ In 2016, the same insurance is projected to cost \$24,291, nearly double the 2008 cost, which will consume 45% of projected median family income.

#### **Prescription drug costs soar**

- ✓ In 1997, the average retail price of a prescription drug was \$35.72.
- ✓ Just ten years later, in 2007, the cost had *doubled* to \$69.91.

#### **Incomes fall**

- ✓ Economists project that if health insurance reform fails, the resulting lower Gross Domestic Product (GDP) will reduce family incomes by \$2,600 in 2020.
- ✓ In 2030, family incomes will be \$10,000 lower without health insurance reform.

#### **Medical bankruptcies increase**

- ✓ In 2001, 46% of all bankruptcies were attributable to medical costs.
- ✓ By 2007, 62% of bankruptcies were due to medical costs.

#### **More uninsured Americans**

- ✓ Every day, 14,000 Americans lose their health insurance.
- ✓ During the last two years, 86.7 million Americans went without health insurance for some time.
- ✓ American families pay a “hidden tax” of \$1,100 on their health insurance premiums due to the unpaid costs of care for the uninsured.

### American Businesses Suffer

#### **Less competitive with foreign firms**

- ✓ U.S. manufacturing firms are at a competitive disadvantage due to high health costs, averaging \$2.38 per worker per hour.
- ✓ These costs for our major trading partners are just \$0.96 per worker per hour.

#### **Fewer small businesses offer coverage**

- ✓ In 2000, 68% of small businesses were able to offer health insurance coverage to their employees.
- ✓ In 2007, just 59% of small businesses offered health benefits.

### **Small business premiums soar**

- ✓ During the past four years, 1 in 5 small businesses reported premium increases of 20% annually.

### **National Economy Suffers**

#### **Total health care spending rises**

- ✓ In 2007, the U.S. spent \$2.2 trillion on health care, \$7,421 per capita.
- ✓ By 2025, the U.S. is projected to spend \$7 trillion on health care.

#### **Gross Domestic Product (GDP) increasingly devoted to health care**

- ✓ In 2007, the U.S. devoted 16% of its GDP to health care, nearly twice the average of other developed nations.
- ✓ In 2009, health care is projected to consume 18% of GDP.
- ✓ By 2030, 28% of GDP will be devoted to health care.
- ✓ By 2040, health care will consume 34% of GDP.

#### **Federal budget increasingly devoted to health care**

- ✓ In 2008, the U.S. devoted 4% of GDP to Medicare and Medicaid.
- ✓ In 2025, the U.S. is projected to spend 7% of GDP on Medicare and Medicaid.
- ✓ By 2040, 15% of GDP will be devoted to Medicare and Medicaid.

#### **Lost economic output**

- ✓ This year, the U.S. economy will lose \$124 - \$248 billion due to the shorter lives and poorer health of the uninsured.

### **Who Wins Under the Status Quo Plan?**

#### **Insurance companies and CEOs rack up high profits and salaries**

- ✓ In 2000, the 10 largest publicly traded health insurance companies had profits of \$2.4 billion.
- ✓ By 2007, profits at those firms had jumped to \$12.9 billion, a 428% increase.
  - 2007 CEO salaries at these firms were \$118.6 million, or \$11.9 million each.

#### **Prescription drug company profits soar**

- ✓ In 2007, prescription drug companies had a profit margin of 15.8%.
- ✓ The same year, profit margins at all Fortune 500 firms were 5.7%.